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**UNITED STATES DISTRICT COURT  
NORTHERN DISTRICT OF CALIFORNIA**

**VERDE MEDIA CORP.** f/k/a The Verde  
Media Group, LLC, a Nevada corporation,

Plaintiff,

v.

**RON LEVI**, an individual; **ARDESHIR S.  
AKHAVAN**, an individual; **HARKLET  
ENTERPRISES, LTD.**, a Cyprus limited  
company; **NUNATON COMPANY, LTD.**,  
a Cyprus limited company; **INTERNET  
BUSINESS SERVICES, LLC**, a limited  
liability company of unknown origin;  
**NAUTELL CAPITAL LTD.**, a Cyprus  
limited company; **CASH TRAFFIC LTD.**,  
a limited company of unknown origin;  
**ALACRE TRADING LTD.**, a Cyprus  
limited company; and **DOES 1-20**,

Defendants.

Case No. CV14-00891

**COMPLAINT FOR DAMAGES**

**DEMAND FOR JURY TRIAL**



1 Plaintiff Verde Media Corp., a Nevada corporation, by and through its undersigned  
2 counsel, states and alleges as follows:

### 3 NATURE OF THE ACTION

4 1. This action alleges breach of contract, breach of the covenant of good faith  
5 and fair dealing, unjust enrichment, fraudulent inducement, tortious interference with  
6 business relationship, and violations of the federal Racketeer Influenced Corrupt  
7 Organizations Act ("RICO"), 18 U.S.C. § 1961 et seq., on behalf of Plaintiff Verde Media  
8 Corp. ("Plaintiff"), and against Ron Levi ("Levi"), Ardeshir S. Akhavan ("Akhavan"), Harklet  
9 Enterprises Ltd. ("Harklet"), Nunaton Company Ltd. ("Nunaton"), Internet Business  
10 Services, LLC ("IBS"), Nautell Capital Ltd. ("Nautell"), Cash Traffic Ltd. ("Cash Traffic"),  
11 and Alacre Trading Ltd. ("Alacre"), together with certain named and as yet unnamed  
12 employees, directors, agents, co-conspirators, and aiders and abettors (collectively,  
13 "Defendants").

14 2. Plaintiff alleges that Levi and Akhavan (collectively, the "Individual  
15 Defendants"), own and operate a complex collection of domestic, foreign, and  
16 international corporate entities, including without limitation Harklet, Nunaton, IBS, Nautell,  
17 Cash Traffic, and Alacre (collectively, the "Corporate Defendants"), with the express intent  
18 of obfuscating the corporate structure thereof and evading liability to consumers,  
19 administrative and law enforcement agencies, and those with which they do business,  
20 such as Plaintiff. Plaintiff further alleges that, under the umbrella of this corporate web,  
21 Defendants engaged in a pattern of deceptive practices, including fraud, to mislead  
22 Plaintiff into brokering key relationships for Defendants, resulting in tens of millions of  
23 dollars of Internet traffic being driven to Defendants' adult and dating websites, and  
24 millions of dollars in damages to Plaintiff when Defendants first avoided, and later flatly  
25 refused, payment of the broker commissions owed to Plaintiff.

26 3. This action seeks damages, including treble and punitive damages, redress  
27 of injuries, attorneys' fees and costs, and other relief, all arising out of Defendants' breach  
28 of contract, breach of the covenant of good faith and fair dealing, unjust enrichment,



1 fraudulent inducement, tortious interference with Plaintiff's business relationships, and  
2 violations of RICO.

### 3 JURISDICTION AND VENUE

4 4. This Court has subject matter jurisdiction of Plaintiff's RICO claim pursuant  
5 to 28 U.S.C. § 1331 and 18 U.S.C. § 1964(c) (civil remedies for RICO violations).

6 5. This Court has supplemental jurisdiction of Plaintiff's claims brought under  
7 the laws of the State of California pursuant to 28 U.S.C. § 1367(a) in that Plaintiff's state  
8 law claims are so related to the RICO claim raised in this Complaint that they form part of  
9 the same case or controversy under Article III of the United States Constitution.

10 6. Venue is proper under 28 U.S.C. § 1391 because many of the incidents,  
11 events, or omissions complained of and giving rise to the instant claims and controversy  
12 occurred within the State of California and the parties, and each of them, have agreed  
13 through counsel that this Court is a proper Venue.

14 7. This Court has personal jurisdiction over Defendant Levi because, on  
15 information and belief, he is a resident of the State of California.

16 8. This Court has personal jurisdiction over Defendant Akhavan because, on  
17 information and belief, he is a resident of the State of California.

18 9. This Court has personal jurisdiction over Defendant Harklet because, on  
19 information and belief, its principal place of business is located in Calabasas, California.

20 10. This Court has personal jurisdiction over Defendant Nunaton because, on  
21 information and belief, its principal place of business is located in Calabasas, California.

22 11. This Court has personal jurisdiction over Defendant IBS because, on  
23 information and belief, its principal place of business is located in Calabasas, California.

24 12. This Court has personal jurisdiction over Defendant Nautell because, on  
25 information and belief, its principal place of business is located in Calabasas, California.

26 13. This Court has personal jurisdiction over Defendant Cash Traffic because,  
27 on information and belief, its principal place of business is located in Calabasas,  
28 California.





1 On information and belief, the vast majority of IBS's business operations take place at  
2 5146 Douglas Fir Road, Calabasas, California.

3 22. On information and belief, Defendant Nautell Capital, Ltd. is a limited  
4 corporation formed under the laws of Cyprus. On information and belief, Nautell's  
5 Cyprus address is used for registration and mail-forwarding purposes only, and the vast  
6 majority of Nautell's business operations take place at 5146 Douglas Fir Road,  
7 Calabasas, California.

8 23. On information and belief, Defendant Cash Traffic, Ltd. is a limited  
9 corporation formed under the laws of a foreign jurisdiction unknown to Plaintiff at this  
10 time. On information and belief, the vast majority of Cash Traffic's business operations  
11 take place at 5146 Douglas Fir Road, Calabasas, California.

12 24. On information and belief, Defendant Alacre Trading Ltd. is a limited  
13 corporation formed under the laws of Cyprus. On information and belief, Alacre's Cyprus  
14 address is used for registration and mail-forwarding purposes only, and the vast majority  
15 of Alacre's business operations take place at 5146 Douglas Fir Road, Calabasas,  
16 California.

17 25. On information and belief, and at all relevant times, Defendants Levi and  
18 Akhavan have been employees, officers, directors, agents and/or representatives of the  
19 Corporate Defendants and conspired to commit the wrongful acts alleged herein and are  
20 jointly and/or severally liable for the wrongful acts alleged herein.

21 26. Defendants DOES 1-20 (the "Doe Defendants") are as yet to be identified  
22 officers, employees, agents, co-conspirators, and/or aiders and abettors of Defendants.  
23 Upon further discovery, and when the relevant information has been obtained, Plaintiff  
24 will seek to amend this Complaint to state the true names and capacities of the Doe  
25 Defendants.

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**FACTUAL ALLEGATIONS COMMON TO ALL CLAIMS****Plaintiff and Plaintiff's Business**

27. Plaintiff is a broker of Internet traffic specializing in the adult paysite, adult webcam (referred to within the industry as "cam"), and adult dating industries.

28. As an Internet traffic broker, Plaintiff has expended substantial time and resources developing key relationships with a roster of website and blog owners—known in the industry as "publishers" or "affiliates." Plaintiff has also developed key relationships with so-called "ad networks" or "affiliate networks," which are companies that aggregate hundreds or even thousands of publishers, thereby substantially reducing the number of persons and entities that the advertiser client has to personally manage.

29. The directed flow of consumers from publisher to advertiser is commonly referred to within the business as Internet "traffic" or "leads," dependent on the type of action or information ultimately sought from the consumer.

30. The adult paysite, adult cam, and adult dating industries are highly specialized, and only a handful of brokers have developed as many key contacts as Plaintiff has with its roster of publishers and networks who have demonstrated measurable success in driving Internet traffic within this industry.

31. Plaintiff's clients are the owners and operators of adult-themed websites and adult dating websites, and are referred to within the industry as "advertisers."

32. Plaintiff provides its brokerage services by referring key publishers or networks to advertisers.

33. Like brokers in a variety of industries, Plaintiff is compensated for its services through payment of a broker or referral fee. Specifically, Plaintiff's advertiser clients generally pay Plaintiff a commission between five dollars (\$5) and ten dollars (\$10) for each sale or other financial transaction completed by a consumer with the advertiser as a result of the referral.

34. Adult paysite, adult cam, and adult dating websites can be extremely lucrative if the websites are advertised to the right consumers. A single referral from



Plaintiff can result in tens of millions of dollars in traffic to a particular advertiser, in which case, Plaintiff is owed and paid millions of dollars in broker fees over the life of the referral relationship.

### **Defendants and Defendants' Businesses**

35. Defendants own and operate several lucrative adult paysites, adult cam, and adult dating websites.

36. In relevant part, the Individual Defendants and Harklet own and operate the website located at <cecash.com><sup>1</sup> (the "CECash Website"). The CECash Website serves as a portal for publishers and networks driving traffic to other websites owned and operated by Defendants. The homepage of the CECash Website states:

Over 50 New sites to promote! New marketing tools! New User Friendly Stats Interface! The all new Cecash [sic] 3.0 is all about making YOU more money! For 11 years, we have strived to create innovative sites and products to diversify your income and make your traffic convert. After 11 years, 2 billion surfers, 6.9 million members, and over \$105,000,000 dollars in webmaster payouts, we are happy to present you with the all new CECash 3.0!

37. On the "Adult Webmaster Affiliate Program Terms and Conditions" page of the CECash Website, the terms identify the owner of the website as "Harklet Enterprises, Limited., doing business as, CECash.com [all sic]."

38. In relevant part, Plaintiff is also informed and believes that the Individual Defendants and Nunaton own and operate the website located at <cashtraffic.com> (the "Cash Traffic Website"). Like the CECash Website, the Cash Traffic Website also serves as a portal for publishers and networks driving traffic to other websites owned and operated by Defendants.

39. On the "Adult Webmaster Affiliate Program – Terms and Conditions" page of the Cash Traffic Website, the terms identify "Nunaton Company Ltd, doing business as, CashTraffic.com [all sic]" as the owner of the Cash Traffic Website.

<sup>1</sup> As a courtesy to the Court, Plaintiff warns that most, if not all, of the websites referenced herein contain graphic adult content.







40. In relevant part, Plaintiff is also informed and believes that the Individual Defendants and Alacre own and operate the website located at <iballers.com> (the “iBallers Website”). The iBallers Website also serves as a portal for publishers and networks driving traffic to other websites owned and operated by Defendants.

41. While the “Terms and Conditions” page of the iBallers Website does not expressly identify an owner of the Website, it does refer persons making claims of copyright infringement to its copyright agent at legal@alacretrading.com. Accordingly, Plaintiff is informed and believes that the iBallers Website is owned and/or operated by Alacre in conjunction with the Individual Defendants.

42. In relevant part, Plaintiff is also informed and believes that the Individual Defendants and Nautell own and operate the website located at <citysex.com> (the “City Sex Website”). The City Sex Website is an adult dating website.

43. On the “CitySex Terms of Use Agreement” page of the City Sex Website, the terms identify Nautell Capital Limited as the “operator” of the Website.

44. On information and belief, IBS is the entity used by Defendants to lease Defendants’ office space located at 5146 Douglas Fir Road, Calabasas, California, and to hire many of the employees working for the benefit of all Defendants.

45. The websites and business entities referenced above in Paragraphs 36 through 44 are just a small portion of the websites and corporations owned, operated, and/or affiliated with Defendants. For example, the Cash Traffic Website lists several other websites as one of “our websites,” each of which is affiliated with different corporate entities via its website terms and domain registration, as listed in the WHOIS database:

Website Name	Affiliated Corporation (Terms)	Affiliated Corporation (WHOIS)
<lifetimelesbianpass.com>	Dunkirk Enterprises Ltd. (UK)	Demurrelt Enterprises Ltd. (Cyprus)
<lifetimeblackpass.com>	Dunkirk Enterprises Ltd. (UK)	Demurrelt Enterprises Ltd. (Cyprus)
<freelifetimeteen.com>	Tejas Enterprises Ltd. (UK)	(privacy protected)



<freelifetimeamateurs.com>	Newgrange Trading Ltd. (UK)	(privacy protected)
<freelifetimepov.com>	Newgrange Trading Ltd. (UK)	(privacy protected)
<freelifetimepornstars.com>	Arcadium Trading Ltd. (UK)	(privacy protected)
<freelifetimehentai.com>	Bazan Trading Ltd. (UK)	(privacy protected)
<lifetimetrannypass.com>	Harlem Goal Investments Ltd. (UK)	Demurrelt Enterprises Ltd. (Cyprus)
<lifetimeboobiespass.com>	Vago Trading Ltd. (UK)	Demurrelt Enterprise Ltd. (Cyprus)
<lifetimeanypass.com>	Blackball Entertainment Ltd. (Cyprus)	Demurrelt Enterprise Ltd. (Cyprus)
<freelifetimemilypass.com>	Renaud Enterprises Ltd. (UK)	Demurrelt Enterprise Ltd. (Cyprus)

46. Plaintiff is informed and believes that Defendants own and operate over 50 publisher portal, adult entertainment, and dating websites through numerous entities.

47. Plaintiff is informed and believes that the Individual Defendants have formed and operate numerous corporate entities, both in the United States and abroad, as a means of fraudulently concealing from Defendants' consumers, business partners, and others—including administrative and law enforcement agencies—that the Individual Defendants are responsible, and therefore liable, for the content and business practices on and/or related to Defendants' websites.

48. Plaintiff is informed and believes that, at all relevant times, Levi has provided the financial backing for, and derived the principal financial benefit from, the numerous corporate entities that are related to Defendants and their websites. Indeed, over 50 U.S. corporations and limited liability companies, including ones formed in California and Nevada, have listed Levi as an owner or principal during their corporate lifetime, which is often very short.

49. In addition to these U.S. corporate entities, Plaintiff is informed and believes that Levi has registered, or caused to be registered, numerous companies abroad, including in the United Kingdom and Cyprus, as referenced in this Complaint. Plaintiff is



1 informed and believes that Levi registered companies in international jurisdictions with the  
 2 specific intent of further concealing the true ownership of the Corporate Defendants and  
 3 Defendants' websites and thereby evading liability for Defendants' deceptive business  
 4 practices and other misconduct.

5 50. Plaintiff is informed and believes that Akhavan is in charge of operations for  
 6 Defendants' business and, as such, has substantial decision-making authority, including  
 7 with respect to staffing, advertising agreements, and payments to third-party affiliates and  
 8 brokers.

### 9 **The Parties' Agreement and Defendants' Breach**

10 51. On or about November 6, 2012, Defendants entered into an agreement with  
 11 Plaintiff for the referral of Internet traffic to Defendants' adult websites, including adult  
 12 paysites and adult dating websites (the "Agreement").

13 52. The Agreement was made at an in-person meeting between Plaintiff's  
 14 principal, Jeremy Greene ("Greene"), on the one hand, and Akhavan, as a representative  
 15 of Defendants, on the other, and the terms of the Agreement were largely memorialized in  
 16 a series of Skype instant messaging exchanges between the two (the "IMs").

17 53. The IMs were transmitted via interstate wire in that, for the most part, they  
 18 were exchanged between Akhavan, who was in California, and Greene, who was in  
 19 Florida and other states at the time of transmission.

20 54. The terms of the agreement were as follows:

- 21 a. Plaintiff agreed to refer publishers and networks to Defendants (the
- 22 "Referrals");
- 23 b. Defendants agreed to pay Plaintiff \$5,000 upfront to get the Referral
- 24 publishers and networks up and running with respect to their advertising for
- 25 Defendants;
- 26 c. Defendants further agreed to pay Plaintiff \$10 for each financial transaction
- 27 resulting from traffic driven to Defendants by the Referrals; and

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1 d. Plaintiff and Defendants further expressly agreed that the Agreement, and  
2 Defendants' payment obligations, would extend to Referrals of new  
3 publishers and networks to Defendants as well as publishers and networks  
4 that had previously enrolled with Defendants, but were not actively driving  
5 substantial traffic to Defendants at the time of the Referral.

6 55. Throughout the IMs and other electronic communications with Plaintiff,  
7 Akhavan, on behalf of Defendants, fraudulently concealed and misrepresented the true  
8 identity of Defendants by misrepresenting that Defendants were a single entity known as  
9 "CECash." Each fraudulent IM transmitted to Plaintiff by Defendants via interstate wire  
10 constituted an act of wire fraud.

11 56. For example, in the IMs, Akhavan represented that he worked for a  
12 company called "CECash." While Akhavan did not disclose it at the time, Plaintiff is now  
13 informed and believes that CECash is a fictitious business name used by Harkley and  
14 numerous corporate entities owned and operated by Defendants.

15 57. Pursuant to the Agreement, on or about November 8, 2012, Defendants  
16 wired \$5,000 to Plaintiff. According to Plaintiff's bank statement, the wire was sent by  
17 Cash Traffic.

18 58. Pursuant to the Agreement, Plaintiff made numerous Referrals to  
19 Defendants. In making these referrals, Plaintiff expended time and effort complying with  
20 the demands of Defendants in registering the Referral publishers and networks with  
21 Defendants' websites, including the CECash Website, the Cash Traffic Website, and the  
22 iBallers Website. Plaintiff also assisted in setting up the Referral publishers and networks  
23 to send traffic to Defendants' websites, to track said traffic, and to receive payment from  
24 Defendants.

25 59. On information and belief, Plaintiff's Referrals have resulted in millions of  
26 dollars of consumer sign-ups and other financial transactions for Defendants.

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1           60. Yet despite the profitable nature of the Referrals, and Defendants' benefit  
2 therefrom, Defendants have failed and refused to pay Plaintiff for anything other than the  
3 initial \$5,000 fee.

4           61. Indeed, in direct contradiction to his earlier statements in the IMs promising  
5 to pay Plaintiff for the Referrals, Akhavan, in a September 24, 2013 email to Greene,  
6 stated "Go find a real job instead of being a little whiney broker, do something of value  
7 and perhaps you will earn value."

8           62. Plaintiff is now informed and believes that Defendants have formed and  
9 operate numerous corporate entities, both in the United States and abroad, as a means of  
10 fraudulently concealing from Defendants' consumers, business partners, and others—  
11 including Plaintiff—the true identities of those responsible, and therefore liable, for the  
12 content and business practices on and/or related to Defendants' websites.

13           63. Plaintiff is informed and believes that Defendants' complex corporate  
14 structure, which includes entities of unknown origin (such as Cash Traffic Ltd.) and entities  
15 registered in international jurisdictions such as Cyprus, has caused Defendants to believe  
16 they are "judgment-proof." It is this belief that gave Defendants, including Akhavan, the  
17 brash confidence to openly renege on the Agreement to pay Plaintiff for the Referrals.

18           64. As a result of Defendants' misconduct, Plaintiff has been harmed and  
19 continues to be harmed. Plaintiff estimates that, under the Agreement, Defendants will  
20 owe Plaintiff over \$5 million through the end of 2014, with the amount growing  
21 exponentially thereafter.

22           **Defendants' Interference with Plaintiff's Business Relationships**

23           65. Plaintiff is informed and believes that Akhavan, on behalf of Defendants, has  
24 contacted several of the Referral publishers and networks and encouraged them to no  
25 longer do business with Plaintiff.

26           66. For example, in or about September 24, 2013, Akhavan contacted the  
27 principal of one of the largest Referral networks and said, regarding Greene (and  
28

1 therefore Plaintiff), "I would like it if you guys can tell him you will no longer be working  
2 with him."

3 67. As a result of Defendants' misconduct, Plaintiff has been harmed and  
4 continues to be harmed.

### 5 **FIRST CLAIM FOR RELIEF**

#### 6 **(Breach of Contract**

#### 7 **Against All Defendants)**

8 68. Plaintiff incorporates by reference the allegations contained in paragraphs 1  
9 through 67.

10 69. The Agreement is a valid and enforceable contract between Plaintiff, on the  
11 one hand, and Defendants, on the other, and is supported by valuable consideration.

12 70. Plaintiff has fulfilled all of its obligations under the Agreement.

13 71. Defendants have materially breached, and continue to breach, the  
14 Agreement by failing to honor its terms, including by failing to pay Plaintiff amounts owed  
15 pursuant to the Agreement.

16 72. As a direct and proximate result of Defendants' material breaches of the  
17 Agreement, Plaintiff has been damaged in an amount exceeding \$5 million and to be  
18 proven at trial.

### 19 **SECOND CLAIM FOR RELIEF**

#### 20 **(Breach of the Implied Covenant of Good Faith and Fair Dealing**

#### 21 **Against All Defendants)**

22 73. Plaintiff incorporates by reference the allegations contained in paragraphs 1  
23 through 72.

24 74. The Agreement is a valid and enforceable contract between Plaintiff, on the  
25 one hand, and Defendants, on the other, and is supported by valuable consideration.

26 75. Plaintiff has fulfilled all of its obligations under the Agreement.

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76. Defendants have unfairly and intentionally interfered with Plaintiff's rights to receive the benefits of the Agreement, including by refusing to pay Plaintiff amounts owed pursuant to the Agreement.

77. As a direct and proximate result of Defendants' breach of the implied covenant of good faith and fair dealing appurtenant to the Agreement, Plaintiff has been damaged in an amount exceeding \$5 million and to be proven at trial.

**THIRD CLAIM FOR RELIEF**  
**(Unjust Enrichment/Restitution**  
**Against All Defendants)**

78. Plaintiff incorporates by reference the allegations contained in paragraphs 1 through 67.

79. Plaintiff asserts this claim in the alternative to the First and Second Claims for Relief.

80. Defendants have been enriched by their receipt of and benefit from the time, effort, and connections of Plaintiff in making the Referrals to Defendants and setting up the Referral publishers and networks with Defendants' websites and tracking and payment platforms so that the Referral publishers and networks could drive traffic to Defendants' websites.

81. Likewise, Plaintiff has been impoverished by the time and effort it has contributed to making the Referrals and getting the Referred publishers and networks up and running without receiving payment in return from Defendants.

82. A causal relationship exists between Defendants' enrichment and Plaintiff's impoverishment in that Plaintiff's impoverishment is directly and proximately caused by Defendants' wrongful and unjust refusal to pay Plaintiff for the benefits conferred on Defendants.

83. Defendants have no reasonable justification for their failure to compensate Plaintiff for the enrichment they have received.

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84. Plaintiff lacks an adequate remedy provided by law and therefore seeks restitution for Defendants' unjust and unlawful conduct, in an amount exceeding \$5 million to be proven at trial.

**FOURTH CLAIM FOR RELIEF**  
**(Fraudulent Inducement**  
**Against All Defendants)**

85. Plaintiff incorporates by reference the allegations contained in paragraphs 1 through 67.

86. Beginning on or about November 6, 2012, and continuing through September 2013, Akhavan, on behalf of Defendants, knowingly made false misrepresentations to Plaintiff in the process of negotiating the terms of the Agreement and convincing Plaintiff to provide additional Referrals under the Agreement. Specifically, Akhavan represented that:

- a. Defendants were a single company called "CECash";
- b. Defendants intended to pay Plaintiff a fee for all income earned by Defendants as a result of the Referrals, pursuant to the Agreement; and
- c. Defendants would compensate Plaintiff not only for Referrals of new publishers and networks, but also those publishers and networks that had previously enrolled with Defendants, but were not actively driving substantial traffic to Defendants at the time of the Referral.

87. Defendants knew that the foregoing misrepresentations were false when made and that Defendants intended to pay Plaintiff no money other than the initial \$5,000 fee.

88. Defendants intended to induce reliance by Plaintiff on the misrepresentations. Specifically, Defendants intended to induce Plaintiff to enter into the Agreement and provide profitable Referrals.

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89. Plaintiff did not discover the false nature of Defendants' misrepresentations or omissions until September 2013, when Akhavan, on behalf of Defendants, flatly refused to pay Plaintiff any amounts owed under the Agreement.

90. As a direct and proximate result of Defendants' misrepresentations, Plaintiff has suffered damages of at least \$5 million and according to proof at trial.

91. Defendants' misrepresentations to Plaintiff, as set forth above, were made purposefully, with fraudulent intent, and without regard for the rights and interests of Plaintiff, thereby entitling Plaintiff to an award of exemplary and punitive damages as to Defendants in an amount sufficient to deter their wrongful conduct.

## **FIFTH CLAIM FOR RELIEF**

### **(Tortious Interference of Business Relationship**

### **Against All Defendants)**

92. Plaintiff incorporates by reference the allegations contained in paragraphs 1 through 67.

93. Plaintiff, as a broker of Internet traffic, has business relationships with a number of publishers and networks specializing in the adult paysite, adult cam, and adult dating website industry.

94. At all times relevant, Defendants knew of Plaintiff's business relationships with publishers and networks specializing in the adult paysite, adult cam, and adult dating website industry.

95. Defendants intentionally and improperly interfered with Plaintiff's business relationships by contacting said businesses and asking them to no longer do business with or through Plaintiff.

96. As a direct and proximate result of Defendants' interference with Plaintiff's business relationships, Plaintiff has been damaged in an amount to be proven at trial.

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**SIXTH CLAIM FOR RELIEF**  
**(Violation of RICO, 18 U.S.C. §§ 1962(c), (d))**  
**Against All Defendants)**

97. Plaintiff incorporates by reference the allegations contained in paragraphs 1 through 67.

98. This claim is brought under 18 U.S.C. § 1962(c), which is commonly known as the Federal Racketeer Influenced and Corrupt Organizations Act ("RICO").

99. Plaintiff is a "person" as that term is defined in 18 U.S.C. § 1961(3) in that it is an entity capable of holding a legal or beneficial interest in property.

100. Akhavan is a "person" as that term is defined in 18 U.S.C. § 1961(3) in that he is an individual capable of holding a legal or beneficial interest in property.

101. Levi is a "person" as that term is defined in 18 U.S.C. § 1961(3) in that he is an individual capable of holding a legal or beneficial interest in property.

102. Harklet is a "person" as that term is defined in 18 U.S.C. § 1961(3) in that it is an entity capable of holding a legal or beneficial interest in property.

103. Nunaton is a "person" as that term is defined in 18 U.S.C. § 1961(3) in that it is an entity capable of holding a legal or beneficial interest in property.

104. IBS is a "person" as that term is defined in 18 U.S.C. § 1961(3) in that it is an entity capable of holding a legal or beneficial interest in property.

105. Nautell is a "person" as that term is defined in 18 U.S.C. § 1961(3) in that it is an entity capable of holding a legal or beneficial interest in property.

106. Cash Traffic is a "person" as that term is defined in 18 U.S.C. § 1961(3) in that it is an entity capable of holding a legal or beneficial interest in property.

107. Alacre is a "person" as that term is defined in 18 U.S.C. § 1961(3) in that it is an entity capable of holding a legal or beneficial interest in property.

108. Does 1 through 20, and each of them, are "person[s]" as that term is defined in 18 U.S.C. § 1961(3) in that each is a person or entity capable of holding a legal or beneficial interest in property.



1           109. Akhavan, Levi, Harklet, Nunaton, IBS, Nautell, Cash Traffic, Alacre, and  
2 Does 1 through 20, and each of them, have, through their association with one another,  
3 formed an enterprise separate and apart from themselves and separate from the  
4 improper conduct alleged herein (the "Enterprise"). The Enterprise is an association-in-  
5 fact enterprise, as that term is referenced in 18 U.S.C. § 1961(4), in that it is a union or  
6 group of individuals associated in fact although not a legal entity.

7           110. The Enterprise is engaged in, and its activities affect, interstate commerce  
8 in that through the Enterprise, Defendants, and each of them, operate a nationwide adult  
9 paysite, adult cam, and adult dating website business that advertises to and enters into  
10 financial transactions with consumers across the fifty (50) states and internationally.

11           111. Through the Enterprise, Defendants, and each of them, have associated  
12 together for a common purpose of engaging in a course of conduct. The common  
13 purpose is to evade liability to consumers, administrative and law enforcement agencies,  
14 and those with which they do business, such as Plaintiff, through the use of a complex  
15 web of domestic and foreign corporations through which liability and cash flow are  
16 untraceable.

17           112. Defendants, and each of them, conducted and participated, directly or  
18 indirectly, in the conduct of the Enterprise's affairs through a pattern of racketeering  
19 activity in violation of 18 U.S.C. § 1962(c).

20           113. As specifically relates to Plaintiff, Defendants engaged in racketeering  
21 activity by violating 18 U.S.C. § 1343, the wire fraud statute, by contacting Plaintiff  
22 numerous times via interstate instant message and electronic mail and making false  
23 representations and concealments, including that Defendants were a single company  
24 named "CECash," and that Defendants intended to pay Plaintiff for the Referrals  
25 pursuant to the Agreement, in furtherance of Defendants' scheme to defraud Plaintiff into  
26 making the Referrals and thereby substantially increasing Defendants' profits.

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114. Plaintiff justifiably relied on Defendants' misrepresentations and concealments via interstate instant message and electronic mail as described above, to its detriment.

115. Plaintiff has been directly and proximately injured in its business and property by Defendants' racketeering violations. Specifically, Plaintiff has been deprived of millions of dollars of revenue owed to Plaintiff for the Referrals.

116. Defendants' acts were a substantial cause of the injuries of Plaintiff and these injuries were reasonably foreseeable.

117. Defendants had actual knowledge that their illegal acts were in violation of federal and California law.

118. Under the provisions of 18 U.S.C. § 1964(c), Plaintiff is entitled to bring this action and to recover herein compensatory damages, treble damages, the costs of bringing this suit, and reasonable attorneys' fees.

**SEVENTH CLAIM FOR RELIEF**  
**(Conspiracy to Violate RICO**  
**Against Akhavan and Levi)**

119. Plaintiff incorporates by reference the allegations contained in paragraphs 1 through 67 and 97 through 118.

120. This claim is brought by Plaintiff alleging a cause of action under 18 U.S.C. § 1962(d) for conspiring to violate 18 U.S.C. § 1962(c).

121. As alleged above in Plaintiff's Sixth Claim for Relief, Plaintiff, Defendants, and each of them is a "person" as that term is defined in 18 U.S.C. § 1961(3) in that each is an individual or entity capable of holding a legal or beneficial interest in property.

122. As alleged above in Plaintiff's Sixth Claim for Relief, the Enterprise is an association-in-fact enterprise, as that term is referenced in 18 U.S.C. § 1961(4), in that it is a union or group of individuals associated in fact although not a legal entity.

123. As alleged above in Plaintiff's Sixth Claim for Relief, Defendants, and each of them, conducted and participated, directly or indirectly, in the conduct of the



Enterprise's affairs through a pattern of racketeering activity in violation of 18 U.S.C. § 1962(c).

124. In violation of 18 U.S.C. 1962(d), the Individual Defendants, and each of them, conspired to violate 18 U.S.C. § 1962(c) in that the Individual Defendants, and each of them, embraced and agreed to participate in the illegal objective of the Enterprise and the use of interstate wire communications to defraud Plaintiff.

### PRAYER FOR RELIEF

**WHEREFORE**, Plaintiff respectfully requests judgment as follows:

1. That the Court enter a judgment in favor of Plaintiff and against Defendants, and each of them, finding that Defendants have:

- a. Breached the Agreement,
- b. Breached the implied covenant of good faith and fair dealing,
- c. Unjustly enriched themselves at Plaintiff's expense,
- d. Fraudulently induced Plaintiff to enter into the Agreement,
- e. Tortiously interfered with Plaintiff's business relationships,
- f. Violated RICO, 18 U.S.C. § 1962(c), and
- g. Conspired to violate RICO, in violation of 18 U.S.C. § 1962(d);

2. That the Court award damages and monetary relief as follows:

- a. Damages of a compensatory and general nature, in an amount as alleged and demanded above and according to proof at trial,
- b. Treble damages pursuant to 18 U.S.C. § 1964(c),
- c. Punitive damages, where applicable,
- d. Costs of suit, and
- e. Reasonable attorneys' fees pursuant to 18 U.S.C. § 1964(c); and

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3. Such other relief that the Court determines is just and proper.

Respectfully Submitted,

DATED: February 27, 2014

**KRONENBERGER ROSENFELD, LLP**

By: s/ Virginia Sanderson  
Virginia Sanderson

Attorneys for Plaintiff

**REQUEST FOR JURY TRIAL**

Plaintiff hereby demands a trial of this action by jury.

DATED: February 27, 2014

**KRONENBERGER ROSENFELD, LLP**

By: s/ Virginia Sanderson  
Virginia Sanderson

Attorneys for Plaintiff